

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 FEA-02 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-03 COME-00 DODE-00 EB-11 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 PA-04

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FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 3849

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EO 11652: N/A

TAGS: ENRG, MX, OPEC

SUBJECT: TERMS OF SALE OF MEXICAN CRUDE FOR EXPORT

1. PEMEX SUB-DIRECTOR FOR FOREIGN COMMERCE, RAUL MAGANAS, REVEALED THAT AGREEMENT HAS BEEN REACHED WITH THREE US FIRMS (GOC OIL, CHARTER OIL, DOW CHEMICAL) FOR FULL 35,000 BPD THAT PEMEX HAD OFFERED FOR EXPORT SALE.
2. TERMS OF SALE, TO BE HELD CONFIDENTIALLY, CALL FOR DELIVERY THROUGH DECEMBER 1974 OF 35,000 BPD ON CONTRACT. PRICE IS TO VARY SLIGHTLY AMONG THREE PURCHASERS DEPENDING ON VOLUME, BUT WILL BE AT OR NEAR \$10.50 (US) PER BARREL.
3. FIRST SHIPMENT OF OIL TO US FIRMS WILL LEAVE MEXICO NEXT WEEK (SEPT 22-28) AND CONTINUE UNTIL END OF YEAR.
4. MAGANAS INDICATED THAT PEMEX WILL SEEK TO INCREASE PRICE FOR OIL WHEN THESE CONTRACTS EXPIRE AND THAT NEW BIDS FOR 1975 OUGHT TO BE CLOSER TO \$11.00 PER BARREL.

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5. IN WIDELY REPORTED STATEMENT OF COMMERCIAL POLICY,

PEMEX DIRECTOR GENERAL DOVALI INDICATED THAT MEXICO IS NOT TIED IN ANY WAY TO OPEC AND THAT MEXICO WILL SET ITS OWN PRICES. THIS STATEMENT, WHILE NOT DEFINITIVE, DOES REFLECT AN AWARENESS ON THE PART OF PEMEX OFFICIALS OF THE NEED TO APPROACH THE SALE OF ITS EXCESS CRUDE CAREFULLY, WITH ALL COMMERCIAL CONSIDERATIONS IN MIND.
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